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December 5, 2003

BY HAND DELIVERYSecurities and Exchange Commission
Division of Corporation Finance
Office of International Corporate Finance
Judiciary Plaza
450 Fifth Street, N.W.
Washington, D.C. 20549

SUPPL

DEC-5 PM 7:21

Re: The Sage Group plc Application for Exemption pursuant to
Rule 12g3-2(b) under the Securities Exchange Act of 1934

Ladies and Gentlemen:

Regarding the above referenced application for exemption, which was submitted to your office on June 16, 2003 and updated on June 20, 2003, August 1, 2003 and October 24, 2003, enclosed please find a fourth update thereto as required by Rule 12g3-2(b)(1)(iii) of the Securities Exchange Act of 1934. The update consists of (i) six 88(2) Companies House Filings, which fall under Annex B, Item 5 of the above referenced exemption application, and (ii) three releases on the Regulatory News Service of the London Stock Exchange as required by the UK Listing Authority, which fall under Annex C of the above referenced exemption application.

Please do not hesitate to call me at (650) 470-4585 with any questions regarding this update to the exemption application.

Very truly yours,

Kambiz Izadi

PROCESSED

DEC 15 2003

THOMSON
FINANCIAL

Enclosures

cc: Michael Robinson
Company Secretary and Group Legal Director
The Sage Group plc

03 DEC -3 AM 7:21

UPDATE TO ANNEX B, ITEM 5

PLEASE COMPLETE IN
TYPESCRIPT OR IN
BOLD BLACK CAPITALS

03 DEC -8 AM 7:21

88(2)

Return of Allotment of Shares

CHFPO82

Company Number

2231246

Company name in full

The Sage Group plc

Shares allotted (including bonus shares):

Date or period during which
shares were allotted
(If shares were allotted on one date
enter that date in the "from" box.)

From

To

Day	Month	Year
24	10	2003

Day	Month	Year
1	1	11

Class of shares
(ordinary or preference etc)

Number allotted

Nominal value of each share

Amount (if any) paid or due on each
share (including any share premium)

Ordinary		
1,562		
1p		
112.00p		

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be
treated as paid up

Consideration for which
the shares were allotted
(This information must be supported by
the duly stamped contract or by the duly
stamped particulars on Form 88(3) if the
contract is not in writing.)

When you have completed and signed the form send it to
the Registrar of Companies at:

Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff
For companies registered in England and Wales

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
For companies registered in Scotland

DX235
Edinburgh

Companies house receipt date barcode

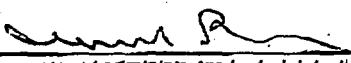
This form has been provided free of
charge by Companies House.

Names and addresses of the allottees (List joint share allotments consecutively)

Shareholder details		Shares and share class allotted	
Name <u>Mr. Angelos Angelides</u>		Class of shares allotted	Number allotted
Address <u>83 Claridge Road</u>		<u>Ordinary</u>	<u>1,562</u>
<u>Manchester</u>			
UK Postcode <u>L L M L 2 L 1 L 9 L W L Q</u>			
Name		Class of shares allotted	Number allotted
Address			
UK Postcode <u>L L L L L L L</u>			
Name		Class of shares allotted	Number allotted
Address			
UK Postcode <u>L L L L L L L</u>			
Name		Class of shares allotted	Number allotted
Address			
UK Postcode <u>L L L L L L L</u>			
Name		Class of shares allotted	Number allotted
Address		TOTAL	1,562
UK Postcode <u>L L L L L L L</u>			

Please enter the number of continuation sheet(s) (if any) attached to this form :

Signed

Date 4. 11. 2003

A director / secretary / administrator / administrative receiver / receiver manager / receiver

Please delete as appropriate

Please give the name, address, telephone number and, if available, a DX number and Exchange of the person Companies House should contact if there is any query.

LLOYDS TSB REGISTRARS THE CAUSEWAY

WORTHING WEST SUSSEX BN99 6DA

ESP-B/LB5495

Tel: 01903 833415

PLEASE COMPLETE IN
TYPESCRIPT OR IN
BOLD BLACK CAPITALS

88(2

Return of Allotment of Shares

CHFPO83

Company Number

2231246

Company name in full

The Sage Group plc

Shares allotted (including bonus shares):

Date or period during which
shares were allotted
(If shares were allotted on one date
enter that date in the "from" box.)

From

To

Day	Month	Year
27	10	2003

Day	Month	Year

Class of shares
(ordinary or preference etc)

Number allotted

Nominal value of each share

Amount (if any) paid or due on each
share (including any share premium)

Ordinary		
80,000		
1p		
136p		

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be
treated as paid up

--	--	--

Consideration for which
the shares were allotted
(This information must be supported by
the duly stamped contract or by the duly
stamped particulars on Form 88(3) if the
contract is not in writing.)

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For companies registered in England and Wales

DX 33050 Cardiff

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
For companies registered in Scotland

DX295
Edinburgh

Companies house receipt date barcode

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Names and addresses of the allottees (List joint share allotments consecutively)

Shareholder details		Shares and share class allotted	
Name	HSBC Global Custody Nominees UK Limited Desig: 909780/Part ID: BH01	Class of shares allotted	Number allotted
Address	Mariner House, Pepys Street	Ordinary	80,000
	London		
	UK Postcode EC3N 4DA		
Name		Class of shares allotted	Number allotted
Address			
	UK Postcode		
Name		Class of shares allotted	Number allotted
Address			
	UK Postcode		
Name		Class of shares allotted	Number allotted
Address			
	UK Postcode		
Name		Class of shares allotted	Number allotted
Address			
	UK Postcode		
Name		Class of shares allotted	Number allotted
Address		TOTAL	80,000
	UK Postcode		

Please enter the number of continuation sheet(s) (if any) attached to this form :

Signed



Date 29 OCTOBER 2003.

A director / secretary / administrator / administrative receiver / receiver manager / receiver

Please delete as appropriate

Please give the name, address, telephone number and, if available, a DX number and Exchange of the person Companies House should contact if there is any query.

LLOYDS TSB REGISTRARS THE CAUSEWAY

WORTHING WEST SUSSEX BN99 6DA

ESP-EXEC./VAM/3961

Tel: 01903 83343

DX number

DX exchange

PLEASE COMPLETE IN
TYPESCRIPT OR IN
BOLD BLACK CAPITALS

88(2

Return of Allotment of Shares

CHFP083

Company Number

2231246

Company name in full

The Sage Group plc

Shares allotted (Including bonus shares):

Date or period during which
shares were allotted
(If shares were allotted on one date
enter that date in the "from" box.)

From

To

Day	Month	Year
04	11	2003

Day	Month	Year

Class of shares
(ordinary or preference etc)

Number allotted

Nominal value of each share

Amount (if any) paid or due on each
share (including any share premium)

Ordinary		
145,360		
1p		
34.6p		

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be
treated as paid up

Consideration for which
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DX 33050 Cardiff

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For companies registered in Scotland

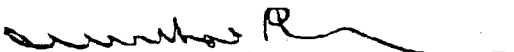
DX235
Edinburgh

Names and addresses of the allottees (List joint share allotments consecutively)

Shareholder details		Shares and share class allotted	
Name See Attached List of Participants.		Class of shares allotted	Number allotted
Address		Ordinary	
UK Postcode L L L L L L L			
Name		Class of shares allotted	Number allotted
Address			
UK Postcode L L L L L L L			
Name		Class of shares allotted	Number allotted
Address			
UK Postcode L L L L L L L			
Name		Class of shares allotted	Number allotted
Address			
UK Postcode L L L L L L L			
Name		Class of shares allotted	Number allotted
Address			
UK Postcode L L L L L L L			
Name		Class of shares allotted	Number allotted
Address		TOTAL	145,360
UK Postcode L L L L L L L			

Please enter the number of continuation sheet(s) (if any) attached to this form :

Signed



Date

13.11.2003

A director / secretary / administrator / administrative receiver / receiver manager / receiver

Please delete as appropriate

Please give the name, address, telephone number and, if available, a DX number and Exchange of the person Companies House should contact if there is any query.

LLOYDS TSB REGISTRARS THE CAUSEWAY

WORTHING WEST SUSSEX BN99 6DA

ESP-B/LB5538

Tel: 01903 833415

BY number

BY exchange

The Sage Group Plc

Shareholder details

Ordinary Shares Allotted

Ms. Susan Ann Armstrong
7 Wharmlands Grove
Newcastle Upon Tyne NE15 7UE

5,630

Mr. Paul Edward Brownless
60 Hardic Avenue
Whickham
Newcastle Upon Tyne NE16 4BA

18,030

Mr. James Lebbell Catchpole
86 Alnwick Road
Durham DH1 5PD

56,350

Ms. Theresa Maria Costello
2 Holly Villa
Holly Hill
Gateshead NE10 9NQ

16,900

Ms. Janice Catherine Dixon
16 Harwood Drive
Killingworth
Newcastle Upon Tyne NE12 6FH

7,890

Ms. Amanda Tracey Form
14 High Meadows
Newcastle Upon Tyne NE3 4PW

6,760

Mr. David Parker
10 Manor Grange
North Broomhill
Morpeth
Northumberland NE65 9YP

16,900

Ms. Susan Ann Shields
23 Foxley Close
Newcastle Upon Tyne NE12 6FX

16,900

TOTAL

145,360

PLEASE COMPLETE IN
TYPESCRIPT OR IN
BOLD BLACK CAPITALS

88(2)

Return of Allotment of Shares

CHFPO83

Company Number

2231246

Company name in full

The Sage Group plc

Shares allotted (Including bonus shares):

Date or period during which
shares were allotted
(If shares were allotted on one date
enter that date in the "from" box.)

From

To

Day	Month	Year
10	11	2003

Day	Month	Year

Class of shares
(ordinary or preference etc)

Number allotted

Nominal value of each share

Amount (if any) paid or due on each
share (including any share premium)

Ordinary	Ordinary	
13,750	17,720	
1p	1p	
140.00p	\$1.7281	

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be
treated as paid up

--	--	--

Consideration for which
the shares were allotted
(This information must be supported by
the duly stamped contract or by the duly
stamped particulars on Form 88(3) if the
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For companies registered in England and Wales

DX 33050 Cardiff

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
For companies registered in Scotland

DX235
Edinburgh

Companies house receipt date barcode

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Names and addresses of the allottees (List joint share allotments consecutively)

Shareholder details		Shares and share class allotted	
Name Brewin Nominees Limited		Class of shares allotted	Number allotted
Address P O Box 1025 Commercial Union House		Ordinary	31,470
39 Pilgrim Street Newcastle Upon Tyne			
Part Id 092 Desig Shareport			
UK Postcode L N L E L 9 L 9 L 1 L S L X			
Name		Class of shares allotted	Number allotted
Address			
UK Postcode L L L L L L L L			
Name		Class of shares allotted	Number allotted
Address			
UK Postcode L L L L L L L L			
Name		Class of shares allotted	Number allotted
Address			
UK Postcode L L L L L L L L			
Name		Class of shares allotted	Number allotted
Address			
UK Postcode L L L L L L L L			
Name		Class of shares allotted	Number allotted
Address		TOTAL	31,470
UK Postcode L L L L L L L L			

Please enter the number of continuation sheet(s) (if any) attached to this form :

Signed [Signature]
A director / secretary / administrator / administrative receiver / receiver manager / receiverDate 12 November 2003

Please delete as appropriate

Please give the name, address, telephone number and, if available, a DX number and Exchange of the person Companies House should contact if there is any query.

LLOYDS TSB REGISTRARS THE CAUSEWAY

WORTHING WEST SUSSEX BN99 6DA

ESP-EXEC/HB/4155

Tel: 01903 833393

BY exchange

PLEASE COMPLETE IN
TYPESCRIPT OR IN
BOLD BLACK CAPITALS

88(2

Return of Allotment of Shares

CHFPO83

Company Number

2231246

Company name in full

The Sage Group plc

Shares allotted (including bonus shares):

Date or period during which
shares were allotted
(If shares were allotted on one date
enter that date in the "from" box.)

From

To

Day Month Year

2|5 1|1 2| 0| 0| 3

Day Month Year

| | |||

Class of shares
(ordinary or preference etc)

Number allotted

Nominal value of each share

Amount (if any) paid or due on each
share (including any share premium)

Ordinary		
3570		
1p		
140.0p		

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be
treated as paid up

--	--	--

Consideration for which
the shares were allotted
(This information must be supported by
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For companies registered in England and Wales

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB DX235
For companies registered in Scotland Edinburgh

Names and addresses of the allottees (List joint share allotments consecutively)

Shareholder details		Shares and share class allotted	
Name	Brewin Nominees Limited Part ID 092 Design SHAREOPT	Class of shares allotted	Number allotted
Address	PO Box 23440 7 Drumsheugh Gardens	Ordinary	3570
	Edinburgh		
	UK Postcode L E1 H1 31 71 W1 L1		
Name		Class of shares allotted	Number allotted
Address			
	UK Postcode L L L L L L L		
Name		Class of shares allotted	Number allotted
Address			
	UK Postcode L L L L L L L		
Name		Class of shares allotted	Number allotted
Address			
	UK Postcode L L L L L L L		
Name		Class of shares allotted	Number allotted
Address		TOTAL	3570
	UK Postcode L L L L L L L		

Please enter the number of continuation sheet(s) (if any) attached to this form :

Signed

Date 28. Nov. 2003

A director / secretary / administrator / administrative receiver / receiver manager / receiver

Please delete as appropriate

Please give the name, address, telephone number and, if available, a DX number and Exchange of the person Companies House should contact if there is any query.

LLOYDS TSB REGISTRARS THE CAUSEWAY

WORTHING WEST SUSSEX BN99 6DA

ESP-EXEC/E4386

Tel: 01903 833436

PLEASE COMPLETE IN
TYPESCRIPT OR IN
BOLD BLACK CAPITALS

88(2)

Return of Allotment of Shares

CHFPO83

Company Number

2231246

Company name in full

The Sage Group plc

Shares allotted (including bonus shares):

Date or period during which
shares were allotted
(If shares were allotted on one date
enter that date in the "from" box.)

From

To

Day	Month	Year
26	11	2003

Day	Month	Year
1	1	11

Class of shares
(ordinary or preference etc)

Number allotted

Nominal value of each share

Amount (if any) paid or due on each
share (including any share premium)

Ordinary		
17,850		
1p		
140.00p		

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be
treated as paid up

--	--	--

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For companies registered in Scotland

DX235
Edinburgh

Please enter the number of continuation sheet(s) (if any) attached to this form :

~~A director / secretary / administrator / administrative receiver / receiver manager / receiver~~

Please delete as appropriate

Tel: 01903 83336

מחזורי

UPDATE TO ANNEX C

	Date	Press Information Title
1.	11-14-2003	Sage completes acquisition of South African software vendor Sofline
2.	12-2-03	Sage pre-tax profit up 12% to £151.0 million for the year ended 30 September 2003
3.	12-5-03	Disclosure of interest in shares

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ADVFN SMS

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14 November 2003

Sage completes acquisition of South African software vendor Softline

Further to its announcement of 1 August 2003, The Sage Group plc today completed its acquisition of the business and assets of Softline Limited ("Softline"), all necessary conditions of the transaction having now been met. Softline is a leading provider of business management software in South Africa and Australia.

Enquiries:

The Sage Group plc 0191 255 3000 Tulchan 020 7353 4200

Paul Walker, Chief Executive Julie Foster

Paul Harrison, Finance Director

Phil Branston, Investor Relations

Notes to editors:

The Sage Group plc is a leading international supplier of accounting and business management software solutions and related products and services for small to medium-sized enterprises. Formed in 1981, Sage was floated on the London Stock Exchange in 1989 and the Group now employs over 5,500 people worldwide.

END

Sage Grp.(SGE)Chi

Name	Symbol	Market	Type	ISIN
Sage Grp.	LSE:SGE	London Stock Exchange	Equity	GB0008021650

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Sector	Turnover (m)	Profit (m)	EPS - Basic	PE ratio	Mkt
Software & Computer Services	580.345	151.037	8.16	22.488	23

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Goldline  **Did you make £3,800 in August?**
THE ULTIMATE TRADING SYSTEM

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FOR IMMEDIATE RELEASE

2 December 2003

SAGE PRE-TAX PROFIT UP 12% TO £151.0 MILLION FOR THE YEAR ENDED 30 SEPTEMBER 2003

The Sage Group plc ("Sage"), a leading supplier of accounting and business management software solutions and related services for small to medium-sized enterprises ("SMEs"), announces its unaudited results for the year ended 30 September 2003.

Financial highlights

- * Turnover increased by 4% to £560.3m (2002: £539.8m*)
- * Operating margin increased by 1.6 percentage points* to 27.8%
- * Pre-tax profit grew 12% to £151.0m (2002: £135.2m*)
- * Earnings per share grew 11% to 8.16p (2002: 7.32p*)
- * Operating cash flow increased 22% to £183.6m (2002: £151.2m*)
- * Proposed dividend 1.650p for the year, an increase of 10%

Operational highlights

- * Strong profit growth in the UK and US
- * 233,000 new customers added in the year. Over 400,000 customers added through acquisitions after the year-end, taking the customer base to over 3.6 million
- * Invested £177.4m in acquisitions (two of them after the year-end), expanding into 3 new territories: South Africa, Australia and Spain
- * Support contracts exceed 1 million

Geographical analysis

£m	2003				2002	
	Turnover		Operating profit		Turnover*	Operating profit*
	£m	% growth	£m	% growth	£m	£m
UK	161.1	3.3%	64.6	12.2%	156.0	57.6
Mainland Europe	134.7	4.3%	29.6	-5.1%	129.2	31.2
US	264.5	3.9%	61.7	17.1%	254.6	52.7
	560.3	3.8%	155.9	10.2%	539.8	141.5
Foreign exchange impact *	-		-		11.9	2.2

560.3 1.6% 155.9 8.5% 551.7 143.7

*Group turnover and operating profit for the prior year have been retranslated at current year exchange rates to facilitate comparison of certain of the results within this release. Group pre-tax profit and earnings for the prior year have been stated excluding the impact of the one-off £6m expense of sponsoring "The Sage Gateshead".

Chairman, Michael Jackson commented: "We have continued to deliver good earnings growth in difficult market and economic conditions. We have also made significant progress against our strategic objectives, including the completion of a number of acquisitions in new markets."

The start to the new financial year has been encouraging, and with significant earnings enhancement expected from our recent acquisitions, the Board views 2004 with confidence."

Enquiries:

The Sage Group plc 0191 294 3000 Tulchan 020 7353 4200

Paul Walker, Chief Executive Julie Foster

Paul Harrison, Finance Director Kirstie Hamilton

Phil Branston, Investor Relations

Introduction

We are pleased to announce results which show earnings growth of 11%. During the year we have made further progress in generating more revenue from our customer base, which now numbers over 3.6m. We have also continued our acquisition strategy, completing three significant acquisitions (two of them after the financial year-end), which have opened up new markets and further growth opportunities.

Financial overview

In the year ended 30 September 2003, we increased turnover by 4% to £560.3m (2002: £539.8m*). Services revenues grew by 6% to £338.7m (2002: £319.8m*), and represented 60% of total revenues. 80% of these service revenues came from the provision of support contracts (2002: 78%). Software revenues grew by 1% to £221.6m (2002: £220.0m*), and represented 40% of total revenues. 49% of these software revenues came from sales to existing customers (2002: 45%).

Operating profit rose by 10% to £155.9m (2002: £141.5m*), with the operating margin increased by 1.6 percentage points to 27.8% (2002: 26.2%*). Pre-tax profit improved 12% to £151.0m (£135.2m*). Earnings per share increased 11% to 8.16p (2002: 7.32p*). These results include a charge of £2.0m for the loss on disposal of a non-core division in May 2003.

The movement in exchange rates had a significant downward impact on results from overseas businesses. The main factor was the 9% decline in the US dollar against sterling, compared to the prior year, which impacted the 47% of Group revenues originated in the US. This was only partially offset by the 8% appreciation of the euro. Growth rates throughout this statement have been stated at constant exchange rates, but without this adjustment, Group turnover grew 2% and operating profit increased by 9%.

The Group's strong earnings and effective cash management created significant growth in cash flow. Operating profit of £155.9m generated operating cash flow of £183.9m. At 30 September 2003 the Group had net debt of £110.6m (2002: £132.8m) with net interest covered 32 times by operating profit. The acquisitions of Sortline and Grupo SP, completed after the year-end, were financed by a combination of additional debt and cash held in the business.

The proposed final dividend is 1.095p per share, making a total of 1.650p for the year, an increase of 10%. Subject to shareholder approval, the proposed final dividend will be paid on 12 March 2004 to shareholders on the register as of 13 February 2004.

Market trends

Sage serves the market for accounting and business management software solutions for small and medium-sized businesses ("SMEs"). In this market, solutions designed to fit SMEs' specific requirements are delivered through local distribution channels, including value-added resellers.

During the year, the market has continued to exhibit three broad characteristics.

SMEs have continued to exercise caution in their spending on information technology. As a consequence, we have seen no significant change in spending on software. Larger SMEs, who might in a better economic climate replace their solutions, are increasingly focussing on extracting greater value from their existing solutions. Consequently they have invested in upgrades and complementary products. The market serving smaller SMEs is more stable, since newly formed businesses continue to automate their business processes for the first time.

SMEs generally have continued to spend strongly on services related to their software, which are often critical to efficient accounting and business processes.

Those larger SMEs replacing their solutions are increasingly seeking to purchase systems for a number of their business processes, rather than just for accounting. Often, the solutions they require are industry-specific. The market penetration of industry-specific, business solutions is still relatively low.

Sage approach to the market

Our response to these economic and market trends has been as follows.

Software

Recognising that many of our customers are seeking to enhance rather than replace their existing solutions, our upgrade programmes introduce appropriate new features and enhancements for all customers. 373,000 existing customers purchased upgrades during the year. As a result, upgrade revenues grew 10% and represented 37% of software revenues.

For those of our customers seeking to replace their solutions, we have developed appropriate migration programmes based on our broad product portfolio. 49,000 existing customers purchased new software during the year. As a result, revenues from the sale of new licences to existing customers represented 12% of software revenues.

It is one of our key priorities to attract large numbers of new customers to the Group. Continued investment in our products, brands and marketing programmes resulted in the recruitment of 182,000 new customers during the year, excluding acquisitions.

Support

95% of our customers have less than 100 employees, and as a consequence very few of them have in-house IT expertise. Instead they look to Sage to provide support. Since many of our customers are seeking to derive greater value from their existing solutions, we are providing higher tiers of service within our support contract offerings. These were purchased by 250,000 of our support customers during the year. Support revenues grew 8% in the year.

Industry-specific solutions

During the year, we introduced a number of new solutions tailored for particular industries, including manufacturing, construction and distribution. These solutions were introduced through internal product development and through acquisitions. We now serve over 160,000 of our customers with industry-specific solutions. As a result revenues from industry-specific solutions were 11% of revenues.

Competitive position

We continue to perform strongly against our competitors by leveraging the key strengths of our business. In a market where a substantial proportion of revenues comes from existing customers, our customer base of over 3.6m SMEs is an important source of revenue opportunities. Our range of localised solutions, expanded by acquisitions, meet the requirements of SMEs by incorporating local business practices and legislation. Our solutions are delivered by an established community of local business partners and backed up by a local support service. We have a product portfolio which meets the needs of both small and large SMEs, and which is continuously developed, not only through acquisitions but also using feedback from the 21,000 customer support calls that we receive each day. These features will continue to differentiate us from our competitors, and are at the core of our growth strategy.

Operational review

UK

UK revenues grew 3% and represented 29% of Group revenues. Revenue growth was generated by sales to smaller SMEs, particularly through sales of upgrades and support to existing customers. The operating margin increased to 40%, from the prior year's 37%, reflecting increased revenues from existing customers and also the benefit of the prior year's re-organisation of the mid-market division. UK operating profit grew 12%.

While improving its operating margin, the UK business has continued to invest in its product portfolio. Its migration programme, targeted at smaller SMEs, has been strengthened by the introduction of new products, increasingly addressing the needs of SMEs in specific industries.

Mainland Europe

Economic conditions in Mainland Europe were the most challenging of all our markets, and were exacerbated by falling demand in the aftermath of the transition to the euro. However, acquisitions enabled revenues to grow by 4%, and Mainland Europe represented 24% of Group revenues.

In these conditions, many of our competitors saw a steep decline in business. By contrast, our businesses remained highly profitable, as we were able to take advantage of the sales opportunities that remain within our large customer base. Furthermore, we continued to invest in upgrade programmes and in developing support services for our customers.

Businesses acquired in the year contributed low initial margins and therefore overall margins fell to 22% (2002: 24%).

US

Overall US revenues grew by 4% and represented 47% of Group revenues. The accounting business grew revenues by 2%, while the CRM business grew revenues 13%.

Overall US operating margins grew to 23% (2002: 21%), led particularly by the improvement of CRM margins to 18% (2002: 14%). Overall US operating profits grew 17%.

In the accounting business, revenues were driven by our core accounting range, where our investment is focused, and in particular by Peachtree's 9% growth. This product range represented 80% of accounting revenues. The balance of

revenues came from our legacy products, where we actively seek to migrate customers to core products. With lower investment, these products continue to provide strong profit contributions.

The CRM business performed particularly well, due to the success of its upgrade programme, which introduced compelling new features for customers of the ACT! contact management product. In this expanding market, we continue to make significant investments in both marketing and product development.

The US business has been built through a series of acquisitions, which have created a large product portfolio and a customer base spanning small and large SMEs. During the year, considerable progress was made in consolidating the US businesses into two divisions, one addressing smaller SMEs and one addressing larger SMEs. The centralisation of certain back-office functions, together with a cohesive approach to our customers and business partners, ensures we continue to build on our strong market presence in the US.

Acquisition activity

Our acquisition strategy remains core to our approach to the market. We acquire businesses not only to enter new territories, but also to expand our offer in territories where we already have a presence. The acquisition of businesses with well-established brands and customer bases provides opportunities to sell more products and services and so improve profitability.

We have made significant progress in our acquisition strategy through one major acquisition during the year, and two further acquisitions after the end of the year. In total, our acquisitions over the year and up to present represent a £177.4m investment in future growth, supported by our strong operating cash flows.

Timberline, acquired in September 2003 for an enterprise value of £55.9m, has expanded our US industry-specific offer into a further important market: the construction and real estate sector. We have 150,000 customers in the US construction and real estate sector already using our software. Many of these businesses represent excellent prospects for the Timberline product and we will develop programmes to facilitate migration to this higher-value solution. This acquisition contributed revenues of £1.6m in the period and made an operating profit of £0.5m.

Our acquisition of Grupo SP in October 2003, for an enterprise value of £40.1m, established a leading position in the attractive Spanish market. SP specialises in providing solutions for smaller businesses. It is our intention to sell additional products to SP's customer base, and also to extend SP's presence to address the needs of larger SMEs by selling more sophisticated solutions.

With the acquisition of Softline, completed in November 2003, for an enterprise value of £54.9m, we gained market-leading positions in South Africa and Australia. Softline has well-established brands and large customer bases. We will use our expertise to sell more products and services to Softline's customers.

The two acquisitions completed after the end of the year added over 400,000 customers to the Group, bringing our customer base to over 3.6 million businesses.

In addition, we made a number of small acquisitions during the year, principally Concept Group in France, acquired in January 2003 for an enterprise value of £5.0m. This business provides complementary treasury and consolidation software for SMEs. This acquisition will provide stimulus to cross-selling initiatives, increasing the breadth and value of the solutions offered to our customers. Concept contributed revenues of £6.5m in the period and made an operating profit of £0.4m.

We will grow these businesses by using our customer base marketing expertise not only to sell more products and services to the new customers, but also to sell the acquired products to existing Sage customers. We expect to make

further acquisitions as part of our response to the market trends noted above.

Our people

We place significant emphasis on attracting, developing and retaining our people. The decentralised manner in which we manage our global network of businesses is based on nurturing the entrepreneurship and creativity of our employees. It is their understanding of local customers that enables our businesses to develop products and services appropriate for the marketplace. Our employees have also played an important role in maintaining and improving our levels of local customer service, for which we have won numerous industry awards. We thank all our people for their contribution to the year's performance.

Outlook

Revenue from services has proven more resilient than the sale of software in the weak economic conditions experienced during the year, and consequently we expect this part of the business to deliver continuing growth.

Spending by smaller SMEs has demonstrated less dependence on macro-economic conditions than spending by larger SMEs. Demand from our small business customers is relatively predictable and therefore we expect this segment of our business to continue its growth. Sales to larger SMEs have been more sensitive to economic conditions, but we will continue to grow this part of the business through strong execution of marketing programmes for our expanded product and service range.

The Group is therefore positioned to deliver growth in unchanged economic conditions. Growth would be higher in the event of improved conditions since larger SMEs would seek to replace their solutions. The Group's largely fixed cost base means that a significant proportion of incremental revenues will translate into profit growth.

The start to the new financial year has been encouraging, and with significant earnings enhancement expected from our recent acquisitions, the Board views 2004 with confidence.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2003

	2003	2002
	(unaudited)	(audited)
	£'000	£'000
Turnover	560,345	551,731
Cost of sales	(51,571)	(54,840)
Gross profit	508,774	496,891
Selling and administrative expenses	(352,867)	(353,211)
Selling and administrative expenses - sponsorship arrangement	-	(6,000)
Total selling and administrative expenses	(352,867)	(359,211)
Operating profit	155,907	137,680
Interest receivable	1,393	1,519

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Interest payable and similar charges	(6,263)	(10,045)
Profit on ordinary activities before taxation	151,037	129,154
Taxation on profit on ordinary activities	(46,821)	(40,038)
Profit on ordinary activities after taxation	104,216	89,116
Equity minority interest	(65)	(41)
Profit for the financial year	104,151	89,075
Equity dividends	(21,093)	(19,143)
Amount transferred to reserves	83,058	69,932
Earnings per share (pence) - basic	8.16p	6.99p
Earnings per share (pence) - basic (pre sponsorship arrangement)	8.16p	7.32p
Dividend per share (pence)	1.65p	1.500p

Notes:

The sponsorship arrangement relates to a one-off sponsorship payment of £6m in connection with "The Sage Gateshead".

CONSOLIDATED BALANCE SHEET

As at 30 September 2003

	2003 (unaudited) £'000	2002 (audited) £'000
Fixed assets		
Intangible	900,684	830,908
Tangible	99,243	54,541
	999,927	885,449
Current assets		
Stocks	2,667	2,306
Debtors	110,247	108,219
Deferred tax asset	16,559	28,306
Cash at bank and in hand	97,234	58,795
	226,707	197,626
Creditors: amounts falling due within one year	(185,306)	(177,010)
Net current assets	41,401	20,616
Total assets less current liabilities	1,041,328	906,065
Creditors: amounts falling due after more than one	(170,871)	(157,194)

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year

Deferred income	(154,566)	(127,019)
Equity minority interest	(144)	(121)
	715,747	621,731
Capital and reserves		
Called up equity share capital	12,792	12,755
Share premium account	443,137	441,859
Merger reserve	61,111	61,111
Profit and loss account	198,707	106,006
Equity shareholders' funds	715,747	621,731

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 30 September 2003

	2003	2002
	(unaudited)	(audited)
	£'000	£'000
Profit for the financial year	104,151	89,075
Translation of foreign currency net investments and related borrowings	9,791	12,233
Total recognised gains and losses relating to the year	113,942	101,308

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 September 2003

	2003	2002
	(unaudited)	(audited)
	£'000	£'000
Net cash inflow from operating activities	183,829	145,178
Returns on investments and servicing of finance		
Interest received	1,393	1,520
Interest paid	(5,479)	(9,454)
Issue cost of loans	(225)	(180)
Interest element of finance lease rental payments	-	(3)
Net cash outflow from returns on investments and servicing of finance	(4,311)	(8,117)
Taxation		
Corporation tax paid	(27,416)	(22,645)

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Capital expenditure

Payments to acquire tangible fixed assets	(40,808)	(19,130)
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Receipts from sales of tangible fixed assets	242	468
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Net cash outflow from capital expenditure	(40,566)	(18,662)
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Acquisitions and disposals

Purchase of subsidiary undertakings:

Net cash consideration	- current year acquisitions	(66,209)	(28,185)
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	- prior year acquisitions	(7,223)	(19,292)
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Net cash outflow from acquisitions and disposals	(73,432)	(47,477)
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Equity dividends paid	(24,217)	(5,595)
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Cash inflow before financing and management of liquid resources	13,887	42,682
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Management of liquid resources

Reduction / (increase) in short term deposits	131	(1,367)
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Financing

Shares issued	1,161	2,604
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Movement in loan funding	23,476	(29,104)
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Repayment of capital element of finance leases	(21)	(57)
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Net cash inflow / (outflow) from financing	24,616	(26,557)
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Increase in cash in the year	38,634	14,758
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NOTES

1. Analysis of results

	2003		2002	
	Turnover (unaudited)	Operating profit (unaudited)	Turnover (audited)	Operating profit (audited)
	£'000	£'000	£'000	£'000
UK	161,123	64,575	155,986	57,625
France	95,031	21,922	95,129	26,146
Germany/Switzerland	39,656	7,709	34,078	5,036
US	208,797	51,706	205,294	45,967
Interact	55,738	9,995	49,307	6,734
	560,345	155,907	539,794	141,508
Impact of foreign exchange	-	-	11,937	2,172

Sponsorship arrangement - The Sage Gateshead - (6,000)

560,345 155,907 551,731 137,680

Foreign currency results for the year ended 30 September 2002 have been retranslated at current year exchange rates to facilitate the comparison of results.

2. Analysis of change in net debt (inclusive of finance leases)

	At 1 October 2002	Cash flow	Acquisitions	Exchange movement	Other	At 3 September 200
	£'000	£'000	£'000	£'000	£'000	£'00
Net cash at bank and in hand	57,512	38,634	-	-	-	96,14
Short term deposits	1,283	(131)	-	(64)	-	1,08
Loans due within one year	(39,076)	39,204	(280)	306	(37,327)	(37,173
Finance leases due within one year	(21)	21	-	-	-	-
Loans due after more than one year	(152,507)	(62,455)	(226)	7,810	36,707	(170,671
	(132,809)	15,273	(506)	8,052	(620)	(110,610

3. Taxation

The taxation charge for the year comprises:

	2003	2002
	£'000	£'000
Current taxation		
UK	18,873	20,066
Overseas	11,794	9,902
	30,667	29,968
Deferred taxation	16,154	10,070
	46,821	40,038

4. The unaudited financial information set out above does not constitute the Company's statutory accounts for the year ended 30 September 2003. Statutory accounts for the year ended 30 September 2002 have been delivered to the Registrar of Companies and those for the year ended 30 September 2003 will be delivered in due course. The Group's results for the year ended 30 September 2002 have been extracted from those statutory accounts. The Auditors' Report on the accounts for the year ended 30 September 2002 was unqualified and did not contain a statement under Section 237 of the

Companies Act 1985.

5. The calculation of basic earnings per share is based on earnings of £104.2m (2002: £89.1m) and on ordinary 1p shares of 1,276,690,520 (2002: 1,274,526,435) being the weighted average number of shares in issue during the year.
6. Subject to shareholders' approval, the final dividend of 1.095 pence per share will be paid on 12 March 2004 to shareholders on the register at the close of business on 13 February 2004.
7. The annual report and accounts will be posted to shareholders shortly and thereafter copies will be available from the Secretary, The Sage Group plc, Sage House, Benton Park Road, Newcastle upon Tyne, NE7 7LZ.

END

Sage Grp.(SGE)

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Name	Symbol	Market	Type	ISIN
Sage Grp.	LSE:SGE	London Stock Exchange	Equity	GB0008021660

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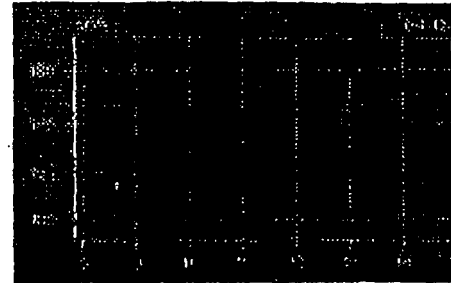
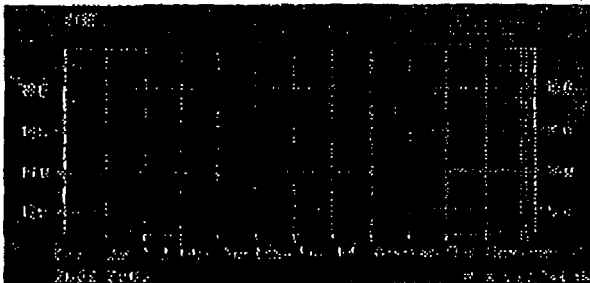
Sector	Turnover (m)	Profit (m)	EPS - Basic	PE ratio	Mkt
Software & Computer Services	660.345	151.037	8.16	22.488	23

Recent News

Date	Time	Source	Headline	More
02/12/03	07:41	AFXF	Sage FY pre-tax pre-ex 151.04 mln atg vs 135.2 mln	
02/12/03	07:35	AFXF	Sage FY profits grow 12 pct; give guarded optimistic prospects assessment	
02/12/03	07:00	UKREG	Final Results	
14/11/03	12:21	UKREG	Acquisition	
24/10/03	07:46	AFXF	Sage buys Spain's Grupo SP	
24/10/03	07:01	UKREG	Re: Acquisition	
21/10/03	14:29	AFXF	Sage Group confirms co-founder Graham Wylie sells remaining stake in co	

Recent BB Discussi

Date	Time	Source	Headline
04/12/03	10:16	FBB	CAN SAGE make it?
22/09/03	21:13	FBB	SAGE SELL/SELL
10/06/03	23:12	FBB	Irritating news
04/06/03	19:58	FBB	Good days not far a
18/05/03	11:09	FBB	100p - Only debate
15/05/03	15:00	FBB	SAGE a "BUY
19/12/02	18:19	PBB	SAGE next years Ch
06/12/02	23:09	FBB	Sage cooking the bo



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TIDM SGE
Headline Holding(s) in Company
Released 16:02 5 Dec 2003
Number 9442S

The Sage Group plc (the "Company")

DISCLOSURE OF INTEREST IN SHARES

The Company received notification on 4 December 2003 that Deutsche Bank AG and its subsidiary companies have a notifiable interest in 138,376,060 Ordinary shares of 1p each in the Company, representing 10.82% of the total shares in issue.

Held as Principal	No. of Shares
Deutsche Bank AG London	5,978,552
Held in Customer Portfolios	
Morgan Nominees	14,194,963
Morgan Nominees CHY	248,796
Morgan Nominees SL	149,926
Bank of New York Nominees	6,224,849
Bank of New York Nominees VC	61,488
BT Globenet Nominees Ltd	348,112
Channel Nominees	31,564
Chase Nominees	29,003,796
Clydesdale Bank Custodian Nominees	117,270
Deutsche Asset Management GmbH	85,620
Deutsche Bank Trust Company Americas	111,851
Deutsche Bank International Limited	464,761
Deutsche Bank Japan Ltd	398,270
Deutsche Securities Ltd Tokyo	26,200
Deutsche Investment Management Americas	29,135

Deutsche Investment Management Schweiz	719,000
DWS Investments GmbH	4,531,351
Gestion Privee Worms	120,000
HSBC Global Custody Nominees	2,490,046
Lloyds Bank Nominees	12,616
Lothian Regional Council	1,936,260
Master Trust Bank of Japan	1,880
National Provincial	5,070
Nortrust Nominees Ltd	12,311,655
State Street Nominees	58,328,251
Tokyo Trust	141,832
Vidacos Nominees	302,946
	138,376,060

Note: The shares comprised under this notification may, from time to time, be the subject of a stock lending agreement resulting in a change of registration but not in DBAG's interest in the shares.

END

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